

Enclosure 7-C
Estimate of Upper Payment Limit for All Non-Governmental Facilities
(Based on Weighted Average Medi-Cal Rate, Weighted by Total Annualized Medi-Cal Days for Privately Owned and Operated Facilities)

Estimated Maximum Medi-Cal Payments Under AB1629 Methodology

Weighted Average Medi-Cal Rate (COLA-Adjusted 04/05 for NF-Bs and Freestanding Subacutes)	\$ 127.15
Add: Eight Percent Cap per AB 1629	1.08
FY 2005/06 Maximum Weighted Average Rate	<u>\$ 137.32</u>
 Total Paid Medi-Cal Days	 22,398,279
Subtotal	<u>\$ 3,075,776,469</u>
 Add: Quality Assurance Fee ⁽¹⁾	 <u>\$ 166,702,393</u>
 Total Estimated Medi-Cal Payments	 <u>\$ 3,242,478,862</u>
 Add: Ancillary Claims for Privately Owned and Operated Facilities	
Pharmacy	\$ 297,989,755
Therapies ⁽²⁾	100,219
Laboratory/Radiology	<u>2,329,795</u>
 Total Estimated Medi-Cal Payments Including Ancillary Costs	 <u>\$ 3,542,898,631</u>

Estimated Medicare Payments for Medi-Cal Residents Under SNF PPS Methodology

Total Estimated Medicare Payments Resulting from RUGs ⁽³⁾	<u>\$ 1,883,725,057</u>
 Weighted Average RUGs Rate for Privately Owned and Operated Facilities	 \$ 207.41
Total "Unmatched" Days in RUGs Methodology ⁽⁴⁾	<u>13,316,257</u>
Subtotal - Weighted Average Rate Applied to Days	<u>\$ 2,761,924,864</u>
 Total Estimated Medicare Payments for State-Owned Facility Residents	 <u>\$ 4,645,649,921</u>

Difference between Estimated Medi-Cal Payments Under AB1629 Methodology and Estimated Medicare Payments for Medi-Cal Beneficiaries Under SNF PPS Methodology	<u>\$ (1,102,751,291)</u>
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Notes:

- (1) Quality Assurance Fee applied using annualized Medi-Cal days on a facility-specific basis.
- (2) Therapy claims limited to \$1,500 per fiscal year for eight Medi-Cal beneficiaries, resulting in reduction of \$2,283.
- (3) SNF PPS case-mix adjusted Federal rates for urban and rural SNFs obtained from Tables 6 and 7 of the Federal Register dated July 30, 2004. Wage index information obtained from Table 8 of the Federal Register dated December 30, 2004. Federal Register information used to estimate Medicare PPS payments is effective October 1, 2004 - September 30, 2005.
- (4) The technical process of linking MDS assessment data to OSHPD cost report data to paid claims data resulted in paid claims days for beneficiaries that cannot be reconciled to a specific facility. In these cases, "unmatched" days are assigned the UPL group weighted average RUG payment rate.